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# IN THE UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

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GRANAT BROS., A Corporation,  
Appellant-Appellee,

vs.

SAMUEL H. FRIEND, S. HERBERT FRIEND,  
LEONARD V. BLOCH, Co-Partners doing  
business under the firm name and style  
of S. H. FRIEND: and HERBERT BROWN:  
and FEATURE RING Co. INC.,  
Appellees-Appellants.

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Nos. 12407  
and 12408

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## BRIEF FOR FEATURE RING CO. INC. ET AL

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CLERK

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## BRIEF FOR FEATURE RING CO. INC. ET AL

### Jurisdictional Statement

The actions here are for alleged trade mark infringement and unfair competition (No. 12407, pp. 2-8; No. 12408, pp. 2-8), jurisdiction being based on the Trade Mark Laws of the United States (15 USCA, Chap. 22). The actions\*

\*Granat had a manufacturing plant and operated three retail jewelry stores (R., p. 89). Except for its retail stores its only sales were to the trade through L. A. Giacobbi, known as Granat Mfg. Co. (R., pp. 90-91). For the purposes of this appeal no distinction need be made between these companies. The defendants here are Feature Ring Co. Inc., a New York corporation and two of its customers. The plaintiff below will be referred to as "Granat" and all of the defendants as "Feature."

The formal papers—Pleadings, Findings, etc., in the two cases are printed in separate volumes. But by stipulation, the testimony is printed in a joint record. It further was agreed the parties would file single briefs covering both appeals and that Granat would file a reply (see Stipulation of December 21, 1949, No. 12407, pp. 79-80).

Throughout this Brief italics and parentheses within quotes are ours unless the contrary is indicated.



are founded on Granat's claim that Feature's use of "Feature Lock" is in infringement of Granat's use of "Wed-Lok" and constitutes unfair competition. Feature, denying that "Wed-Lok" is a valid mark or that it was infringed, counterclaimed charging unfair competition based on Granat's threatening circularization of the industry (No. 12407, pp. 25-26; No. 12408, p. 9). The United States District Court for the Northern District of California, Southern Division, on September 8, 1949, entered final judgment that Granat's mark was valid, that Feature did not infringe, and that neither party had unfairly competed with the other (No. 12407, pp. 43-46; No. 12408, pp. 17-19). These appeals, sanctioned by 28 USCA § 1291, followed (No. 12407, pp. 46-47; No. 12408, pp. 20-21).

## Statement of the Case

### The Origin and Use of "Wed-Lok"

The District Court found (No. 12407, p. 39, Par. VIII; No. 12408, p. 13, Par. VIII):

"Plaintiff's trade-mark 'Wed-Lok' is not primarily descriptive of the ring ensembles marketed and sold by plaintiff, but it is used in a suggestive or figurative sense and is a valid registered trade-mark."

The facts do not sustain this finding.

In 1934 Granat Bros. adopted the word "Wed-Lok" (R., p. 91). Repeatedly Granat states that this was used in conjunction with "a diamond wedding and engagement ring ensemble"—or other equivalent phrases (Gr. Br., pp. 2, 3, 8-9, 17, 37).

But, nowhere does Granat acknowledge the undeniable facts that the mark has been used only on engagement and wedding rings *which lock together* and that it has been used only descriptively.



Shortly after Granat commenced using "Wed-Lok" for interlocking rings in 1934, it discovered that the word "Wedlock" had been registered for rings, as No. 185,365, at an earlier period (R., pp. 115-116, 229-231). In 1936 it acquired this other registration (R., pp. 101-103, 115-116, 232). The file history shows that the original registrant of "Wedlock" had applied for registration under the Act of 1905 and that the application was rejected *as descriptive*, that the applicant *acquiesced in the rejection* and amended the application to bring it under the Act of 1920, which did not proscribe descriptive marks (Dfts' Ex. 36).

In 1944—ten years after Granat commenced using "Wed-Lok"—it applied for its registration. And, as was true of the "Wedlock" registration, Granat's application was filed under the Act of 1905. It, too, was rejected *as descriptive* and once more *the applicant acquiesced in the rejection* and amended the application to bring it under the Act of 1920. It then issued as No. 430,436 (Dfts' Ex. 5; R., pp. 112-115).

*No more definitive admissions of descriptiveness could be found.*

And throughout, the marks *have been used by Granat descriptively.*

Thus, in one of Granat's earliest advertisements it was said:

"The rings interlock, as it were \* \* \* The idea suggested the name 'Wed-Lok' \* \* \*" (R., p. 105; Dfts' Ex. 40:47\*).

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\* Pretrial depositions were taken of certain officers of Granat in San Francisco, and of some of Feature's customers in New York. The San Francisco depositions are Dfts' Ex. 40 and the New York depositions are Dfts' Ex. 39. The exhibits introduced with these depositions will be cited by their number, preceded by the exhibit number of the deposition—thus, "Dfts' Ex. 40:47."

Again, in this first period, Granat advertised that its "INTERLOCKING ensemble" would "hereafter be known as the 'Wed-Lok [interlocking] ENSEMBLE'" (Dfts' Ex. 40:22).

During the second period of use (1936-1941) the advertising was persistently descriptive. Thus, in December 1940 there is the advertised statement—" \* \* \* Wed-Lok diamond ensembles, the rings that miraculously lock together" (Dfts' Ex. 40:77).

And in the final period, the same practices continued. In the "Exciting Discovery" announcement of 1947, the rings are spoken of as separate "but a tiny gesture locks them together" (Dfts' Ex. 40:80; see also, Dfts' Ex. 40:89). And in December 1948 Granat advertised "'Wed-Lok' \* \* \* They lock and unlock instantly" (Dfts' Ex. 40:91).

Going even further was Jacoby's announcement—"These are the rings that 'Wed-Lok' together" (Dfts' Ex. 40:23; R., pp. 107-109).

Similar statements to those quoted are found in substantially all of the advertising of Granat or of its customers. And those customers constantly used the word descriptively. Thus, Jacoby testified that "Wed-Lok" described not the entire ring ensemble but "the mechanism; the mechanical part" (R., p. 467), and Kernis said that his knowledge of "Wed-Lok" "goes back to probably 1937 or '38, where they used the term 'Wed-Lok' at that time, *meaning that the two rings hooked together, or locked together* \* \* \*" (R., p. 622). Even Mr. Shapiro—a more than usually biased partisan—admitted that the use of the word "lock" to advertise a product of the sort here in issue, "would be the only way" it could be done (R., p. 719; see also, pp. 514, 516-517, 549-550, 561, 610-612, 701; see also, Dfts' Ex. 39: pp. 69, 73, 80-81, 92).

Finally, at the hearing here, Joseph Granat, Granat's president, testified as follows (R., pp. 106-107):

"Q. You have called them interlocking, have you not, Mr. Granat? A. Yes, I have called them that. Here the rings are; they don't necessarily lock, or they don't interlock. We call them interlocking, yes, we did.

"Q. And the advertisements have constantly referred to them in a descriptive sense, have they not, Mr. Granat? A. Oh, yes" (see also, p. 105).

In the face of this history, the mark, to survive, must be shown to have acquired a secondary meaning. But no showing of secondary meaning was made and the District Court refused so to find (No. 12407, p. 51, Par. 5; No. 12408, p. 24, Par. 5). The facts disclose the soundness of this refusal.

When Granat learned in 1934 of the earlier use of "Wedlock" it discontinued its use of "Wed-Lok" entirely (R., pp. 229-231). Its use during the first period is indicated solely by thirteen local newspaper advertisements (Dfts' Ex. 40:22-29, 31-33), and one trade magazine advertisement (Dfts' Ex. 40:30).

In March 1936, slightly over a year after Granat discontinued using "Wed-Lok," it purchased the adversely held "Wedlock" registration, and in April 1936 its second period of use of the word "Wed-Lok" commenced (R., pp. 101-105).

By 1939 the number of advertisements of "Wed-Lok" in San Francisco and Oakland newspapers had dropped to four (R., pp. 122-124), which were followed in 1940 by eleven advertisements (R., pp. 124-125).

In 1941 and 1942 Granat advertised three times in each year, and in 1943 it advertised twice (Pl's Exs. Q thru X, WW; R., pp. 145-148). But in 1943 the mark had become so unimportant (cf., R., p. 219), that Granat failed even to

list it in "Trade-Marks of the Jewelry and Kindred Trades" *although it did list eight other marks* (Dfts' Ex. 17; R., pp. 125-127, 225).

From then until May 1947 there were no advertisements of "Wed-Lok" of any nature, and while scattered sales appear to have been made (R., pp. 117-118, 153-154, 163-167, 176-177), even the favored dealers of Granat were unable to secure any "Wed-Lok" sets (R., pp. 176-177, 445, 458-459, 485, 519-520, 530, 555, 559, 647, 705).

In May 1947, after seven years of almost complete eclipse, "Wed-Lok" made its second reappearance with the following public statement:

"Announcing Wed-Lok

"An Exciting Discovery

"No other rings in all the world like these! This entirely new, patented, Granat engagement and wedding ring ensemble is the climax of long years of study, research and experimentation" (Dfts' Ex. 40:80; R., pp. 234-235).

During the period May 1947 to April 1948 "Wed-Lok" was advertised increasingly by Granat and by certain of its customers, the record showing slightly over 300 advertisements in daily newspapers (Pl's Exs. F, DD, EE, FF; and see Exhibits of Granat's retailer-witnesses), and seven advertisements in national magazines (Pl's Exs. II, KK, LL; see also, R., p. 207).

While Granat adduced no records of advertising expenditures (R., pp. 183-186; and see pp. 255-257)—indeed, it seems purposefully to have avoided this (Dfts' Ex.40: p. 193)—the District Court found that "such advertising, exclusive of extensive dealer advertising, cost approximately One Hundred Fifty Three Thousand Dollars (\$153,000.00)" from 1934 to date, exclusive of the war years 1942-1945 (No. 12407, p. 40, Par.XI; No. 12408, pp. 13-14,

Par.XI). Almost a third of this total was incurred within the year when Feature's locking rings appeared (cf., R., pp. 179-185).

During the period from 1934 on there was entire eclipse from late 1934 until early 1936, and substantial eclipse from 1940 to the Spring of 1947. But even in the periods of use there is no reliable evidence that the word "Wed-Lok" had come to mean anything to the public. It is true that certain of Granat's retailer-customers said they had calls for "Wed-Lok" rings (R., pp. 448, 478, 508, 583, 610, 639, 659, 696). However, analysis of their testimony shows that customers desired simply *a locking type ring* (R., pp. 448-449, 479, 490, 508-509, 696, 703-704), and that these witnesses used that desire as a means for furthering their sales of "Wed-Lok" rings. Thus, Jackson said (R., p. 490):

"\* \* \* I had had customers coming in and asking me about *different lock rings*, which I didn't know about until all this came up here recently. \* \* \* When I would show them these Granat rings they would say, 'No, there is one that locks different than this,' which I didn't know about at that time."

Even more revealing is the testimony of Goldblatt. He explained why "lock" was an important and valuable part of "Wed-Lok" as follows (R., p. 508):

"Well, it would be to us for the reason that a great many of our customers come in and designate or call for a ring *as a lock type ring or a lock together ring*, and to us it means the Granat Wed-Lok."

Similarly, Shapiro, admitting that customers "come in and demand and want the locking ring" (R., p. 703), said (R., p. 704):

"Well, when they are questioned, they are asked, *and if you refresh them*, they want a 'Wed-Lok' \* \* \*."



And Kernis blows the claim that "Wed-Lok" meant anything to the customer completely out of the water. He was asked (R., p. 642):

"Q. To your knowledge, was the Wed-Lok name applied to these interlocking rings to distinguish them from the other types of merchandise sold by Granat Bros.?"

to which he answered:

"I think it was the principle, mainly, of it locking together that sold it at the time."

Tying in perfectly with this testimony is that of Mr. Bloch and of Mr. Magoon. The former, a jewelry wholesaler, said (R., p. 395):

"At the present time there is a demand for locking ring sets. The locking ring sets are a factor in the business, and retail customers called on us for locking sets" (see also, pp. 375-376).

And (R., p. 393):

"It [national advertising] has been tried for many years, but no one has ever successfully put a real big diamond ring nationally known, a nationally known item, in the jewelry stores. *The jewelers still prefer to sell the diamond rings under their own name*, because that is their reputation in the local town" (see also, p. 392).

To the same effect, Mr. Magoon, a retail jeweler, testified (R., p. 408):

"In all my years in business we have sold our firm's, nobody's ring. I don't stress anybody's name at all \* \* \* I don't think [a trade name] has any great bearing on the subject. It hasn't so far as I am concerned" (see also, Dfts' Ex. 39: pp. 68, 86, 91).

Beyond question, it is a custom of the trade for the jeweler to sell on his own rather than on his manufacturer's reputation. Equally beyond question, "Wed-Lok" had acquired no secondary meaning and the District Court was correct in refusing to find that it had.

### **Feature Ring Company and Its Mark "Feature Lock"**

Feature Ring Company was the name given in 1934 or 1935 to the business of Henry Peterson (see Dfts' Ex. 31; R., pp. 260, 281). It has since become Feature Ring Co. Inc. (Consolidated Answer, Par. 2). From its inception it has engaged in the manufacture of gold and platinum blanks or findings—that is, the rings without the stones (R., pp. 285, 312). By 1945 the business of Feature had grown to a million and a half dollars per year (R., pp. 314-315).

About six or seven years ago Feature became interested in developing interlocking wedding and engagement rings (R., pp. 282-283). Work of an intermittent nature went forward on this until "a good interlocking set" was perfected. Mechanically, this was entirely unlike any Granat set (R., pp. 282-283) but it did infringe an adversely held patent, which Feature was able to purchase (R., p. 283).

With respect to the name of this set, Mr. Peterson testified (R., p. 378):

"\* \* \* for years, we have been selling rings known as 'Feature Rings.' For 15 years. We built a fine reputation on selling 'Feature Rings' for that period of time, and when we came out with an interlocking set, to distinguish those from our regular merchandise we took the same name, 'Feature,' and we added the descriptive word 'lock' to it, and called them 'Feature Lock Rings' instead of 'Feature Rings.' " (see also, pp. 261-262).



When the "Feature Lock" sets were introduced in May 1948 (R., p. 261), Feature ran a full page advertisement in every known trade magazine, announcing the new product and showing it to be that of Feature Ring Company of New York City (Dfts' Exs. 10, 30; R., pp. 286-292). Similar advertisements have since been run periodically (Dfts' Exs. 10, 14, 15, 16).

In marketing this new product, Feature sold only through distributors, of which it had about 200 (R., p. 321). The distributors were given the alternative of selling the sets under the trade mark "Feature Lock"\* or under any name they might choose (R., pp. 270-271, 288, 301-302).

Granat immediately notified all such users of the descriptive word "Lock" that their use "constitutes an infringement of [Granat's] above trade-mark registrations, and also constitutes unfair competition in trade" (R., pp. 137-142; Dfts' Exs. 18-29).

In August 1948, these actions were commenced. Granat avoided any action against Feature Ring Company, but the latter, in order to protect its customers, intervened in these actions (R., pp. 296-297, 308-309).

### **Specification of Errors**

The errors of the District Court which Feature will urge in this Court (No. 12407, pp. 72-73, 83; No. 12408, pp. 30-31) are as follows:

1. The Court erred in finding that plaintiff's trade mark "Wed-Lok" is a distinctive and valid trade mark.

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\* This mark has been registered by Feature Ring Co. Inc. as No. 506,514, the word "Lock" however, being disclaimed (Dfts' Ex 6; R., pp. 284, 137).

2. The Court erred in not finding that plaintiff has competed unfairly with defendants Feature Ring Co., Inc., S. Herbert Friend or Leonard V. Bloch.

3. The Court erred in dismissing the counterclaim of the defendants Feature Ring Co., Inc., S. Herbert Friend and Leonard V. Bloch.

4. The Court erred in failing to award damages to defendants herein on their counterclaim.

5. The Court erred in failing to award defendants their costs incurred on the trial of the cause.

### Summary of the Argument

The word "Wed-Lock"—for locking wedding and engagement rings sets—is descriptive. Granat's predecessor and Granat admitted this when, in response to the Patent Office rejections of their applications for registration *because descriptive*, they amended the applications to take them from under the Act of 1905, which proscribed descriptive trade marks, and bring them under the Act of 1920, which did not. From the inception of use of "Wed-Lok" and up to the time of trial, Granat and its customers have used the mark only in a descriptive sense. While a mark, descriptive in its primary sense, may by persistent nondescriptive use become the symbol of that user, thus losing its original meaning and taking on a new or "secondary meaning," a mark which continues to be used descriptively can never acquire a secondary meaning. Consistent with this, the proofs here show that the public has not regarded articles bearing the name "Wed-Lok" as coming from any particular source. To the contrary, the proofs do show that the consuming public is largely unaware of or indifferent to the name of any ring or ring ensemble.

The only similarity between "Wed-Lok" and Feature's trade mark "Feature Lock" is that between the corruption

“Lok” and the word “Lock.” In both cases, however, they are used to indicate that the product locks. There is no similarity in sound or meaning or in any other characteristic between the word “Wed” and the word “Feature.” And, as was found by the District Court, there has been in this case neither passing off nor the likelihood of passing off. Consequently, Feature neither infringes nor is guilty of unfair competition.

Granat’s campaign against Feature’s customers who used the word “Lock” to describe a lock, intimidated those customers and damaged Feature. No attempt was made by Granat to ascertain or judge of over-all similarity or dissimilarity of the various “Lock” marks to “Wed-Lok.” Thus Granat’s action was without probable cause. Feature, therefore, is entitled to relief under its counterclaim.

## Argument

### “Wed-Lok” is an Invalid Mark

#### **“Wed-Lok” is Descriptive and Has Been Descriptively Used**

Granat says that “It requires no argument to show that appellant’s trade mark is unique, arbitrary and fanciful” (Gr. Br., p. 50).

In that statement Granat *assumes* the one thing which it must *prove*—and the one thing which it has not proved. For the word “Wed-Lok”—used as a name for wedding and engagement rings which lock together, is anything but “unique or “arbitrary” or “fanciful.” It is purely descriptive, and, from its inception, has been used only descriptively.

When, as has been shown, registration was attempted, whether spelled “Wedlock” or “Wed-Lok”—the Patent Office said it was descriptive, and the applicants, Granat’s

predecessor in title in 1924, and Granat, itself, in 1944, agreed\* (ante, p. 3). And, in so agreeing, Granat made its record in the Patent Office conform with its conduct throughout.

The long catalog of descriptive use (ante, pp. 3-5), demonstrates that the District Court erred in its finding that "Wed-Lok" is "not primarily descriptive of the ring ensembles marketed and sold by plaintiff but it is used in a suggestive or figurative sense \* \* \*."

In the recent decision of *Armstrong Co. v. Nu-Enamel Corp.*, 305 U. S. 315, the Supreme Court tersely stated (p. 335):

"But a mark which is descriptive is not a good trademark at common law."

This statement is but a reiteration of the rule that has prevailed since at least 1871. In that year, the Supreme Court in *Canal Company v. Clark*, 13 Wall. 311, said (p. 323):

"No one can claim protection for the exclusive use of a trade-mark or trade-name which would practically give him a monopoly in the sale of any goods other than those produced or made by himself. If he could, the public would be injured rather than protected, for competition would be destroyed. Nor can a generic name, or a name merely descriptive of an article of

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\* Such acquiescence should amount to an estoppel to make a contrary contention (see *Holzappel's Co. v. Rahtjen's Co.*, 183 U. S. 1, 10-12). In an analogous situation arising during the prosecution of a patent application, it has been said, "If dissatisfied with the rejection he should pursue his remedy by appeal; and where, in order to get his patent, he accepts one with a narrower claim, he is bound by it" (*I. T. S. Rubber Co. v. Essex Co.*, 272 U. S. 429, 443; *Exhibit Supply Co. v. Ace Corp.*, 315 U. S. 126, 136; see also, *Steam-Electric Corp. v. Herzfeld-Phillipson Co.* (C. C. A. 7th Cir.), 118 F. 2d 122, 127).

trade, of its qualities, ingredients, or characteristics, be employed as a trade-mark and the exclusive use of it be entitled to legal protection.”

And the rule of those cases is the rule of this Court. *Jell-Well Dessert Co. v. Jell-X-Cell Co.*, 22 F. 2d 522; *Brooten v. Oregon Kelp Ore Products Co.*, 24 F. 2d 496; *Van Camp Sea Food Co. v. Cohn-Hopkins*, 56 F. 2d 797.

In the *Jell-Well* case, this Court stated the general rule (22 F. 2d 523):

“Many cases might be cited in support of the principle, sustained by the Supreme Court as founded on reason and authority, that there can be no appropriation of a name which is descriptive of an article of trade, its qualities or ingredients, or any word, letters, or symbols which others may employ with equal truth, and as a consequence have an equal right to use for the same purpose.”

The product there involved was a gelatine, and, as this Court noted (p. 523), “it is, of course, necessary that the gelatine used must jell well.” Similarly, Granat’s wedding and engagement ring ensembles must “‘Wed-Lok’ together.” This Court continued (p. 523): “We cannot regard ‘Jell-Well’ as a fanciful or arbitrary term. Plaintiff itself gave to the words their intended meaning, by its advertisements containing the sentence: ‘This dessert is named Jell-Well because it always jells and jells well.’” In exact parallel, Granat says, “The idea [that the rings interlock] suggested the name ‘Wed-Lok’.”

And in the *Jell-Well* case, the Court concluded (p. 523), that “Jell-Well” was “primarily descriptive” and that “hence it cannot be withdrawn from public use by adoption as a trade-mark.”

The *Brooten* case was somewhat similar. There, the only question was whether the words “Kelp Ore” were a



valid trade mark. There, the plaintiff had discovered and marketed a mineralized kelp and its literature had explained that "Kelp Ore" was the name of the product. This Court concluded plaintiff "intended the name to be generically descriptive" and held it invalid as a trade mark (24 F. 2d 497). Here, the facts parallel those of the *Brooten* case because Granat's advertisements constantly have shown "Wed-Lok" to be descriptive of locking wedding and engagement rings—and "Wed-Lok" too is invalid.

The *Van Camp* case involved the trade mark "Chicken of the Sea" as applied to young tuna fish. This Court, in holding the mark descriptive and invalid, said (56 F. 2d 789):

"The basis of the decision in [*Van Camp Sea Food Co. v. Westgate Sea Products Co.*, 28 F. 2d 957] was that the word 'Chicken' was descriptive of the product packed, and in effect that 'Chicken' as applied to tuna indicated 'young tuna' or 'tender tuna,' and is no more subject to appropriation than the word 'young' or the word 'tender.' The phrase 'of the sea,' as applied to fish caught in the sea, is also descriptive. The expression 'Chicken of the Sea tuna' would simply mean 'young tuna caught in the sea,' a purely descriptive title, and is not at all a fanciful or arbitrary designation or mark, so that the entire phrase is no more subject to appropriation than is the word 'chicken,' which we have already held could not be monopolized by trade-mark."

Application of the rule of these cases to the facts here demonstrates the invalidity of "Wed-Lok" as a trade mark.

Granat, however, ignores them and relies upon *N. K. Fairbank Co. v. Luckel, King & Cake Soap Co.*, 102 Fed. 327—decided by this Court in 1900. The plaintiff there

was the owner of the trade mark "Gold Dust" used for washing powder. The defendant, at a later date, adopted, for the same product, the name "Gold Drop." This Court, noting that the question "may be said to be a close one" (102 Fed. 332), held "Gold Drop" to be an infringement of "Gold Dust."

The facts, however, clearly distinguish that case from the instant one.

(a) The trade mark "Gold Dust" is entirely fanciful and is not suggested by washing powder. "Wed-Lok," on the other hand, is entirely descriptive.

(b) Of the two words comprising the mark "Gold Dust," the first, "Gold," unquestionably is the dominant word, and it is the word borrowed by the defendant. Here, the dominant word of "Wed-Lok," if any there be, is "Wed," and certainly the dominant word of "Feature Lock" is "Feature"—the word "Lock" in both cases simply referring to a lock.

(c) "Gold Drop" and "Gold Dust" are substantially *idem sonans*, whereas "Feature" so clearly distinguishes from "Wed" that there is no similarity of sound.

(d) In the *Fairbank* case, confusion and palming off were shown (102 Fed. 330). In the instant case, neither confusion nor palming off was shown, and the District Court found there was no likelihood of passing off (No. 12407, p. 40).

The *Fairbank* case, therefore, lends no support to Granat's position here; and even though Granat thinks it does not require argument to show that "Wed-Lok" is unique or arbitrary or fanciful, the facts show that it possesses no characteristic of a valid trade mark.



## **“Wed-Lok” Has Not Acquired a Secondary Meaning**

Granat complains that while the District Court found “that the appellant’s trade mark is valid, the Court refused to find that a secondary meaning attached thereto” (Gr. Br., p. 53). In fact, Granat goes considerably beyond complaining at the failure of the District Court to find secondary meaning in the word “Wed-Lok”; it asks this Court to determine that it has established a monopolistic right to the use of the word “lock.” Thus, it says (Gr. Br., p. 17):

“Appellant by its long use of the word ‘LOK’ as a suffix in its trade-mark designating *ring ensembles*, is entitled to the exclusive use of the word ‘LOK’ or ‘LOCK’ in this field.”

But the law sanctions no finding of secondary meaning here and no basis for granting to Granat a monopoly in the noun or verb “lock.”

Under the doctrine of secondary meaning, a word, descriptive or otherwise ineligible as a trade mark, is in effect removed from the public domain and the user of the mark is given what amounts to a monopoly in the use of that word. Obviously, it is contrary to the policy of the law to allow any such monopoly in any except the clearest cases—cases in which the rights of the user are overwhelmingly shown and in which the correlative injury to the public is negligible (*Upjohn Co. v. Wm. S. Merrell Chemical Co.* (C.C.A. 6th Cir.), 269 Fed. 209, 211 c.d., 257 U. S. 638)). And the burden of proving such a case is on the plaintiff (*Kellogg Co. v. Nat. Biscuit Co.*, 305 U. S. 111, 118).

The Supreme Court in the *Kellogg* case and the Supreme Court of California in *Eastern Colombia, Inc. v. Waldman*,

30 C.2d 268, 74 U.S.P.Q. 114, recently defined secondary meaning. See also, *Phillips v. The Governor & Co. Etc.* (C.C.A. 9th Cir.), 79 F.2d 971, 973; *Brooks Bros. v. Brooks Clothing of California* (D.C.S.D.Cal.C.D.), 60 F. Supp. 442, 450, aff'd by this Court on opinion below, 158 F.2d 798, c.d., 331 U. S. 824.

The *Kellogg* case was for unfair competition involving the use by defendant of the name "Shredded Wheat," which for a long period had been made by plaintiff and its predecessors under patents. The defendant, at a later period, commenced the manufacture of a similar product. The Supreme Court held that the name "Shredded Wheat" had become generic and that upon the expiration of the patents all were entitled to use it (305 U. S. 116-118).

Plaintiff undertook to avoid the effect of this rule because, it said, its long use of the words had given to them a secondary meaning. This claim the Supreme Court rejected (305 U. S. 118) saying:

"The evidence shows only that due to the long period in which the plaintiff or its predecessor was the only manufacturer of the product, many people have come to associate the product, and as a consequence the name by which the product is generally known, with the plaintiff's factory at Niagara Falls. But to establish a trade name in the term 'shredded wheat' the plaintiff must show more than a subordinate meaning which applies to it. It must show that the primary significance of the term *in the minds of the consuming public* is not the product but the producer."

The *Eastern Columbia* case involved plaintiff's trade mark "Eastern Columbia" which the Court said had, beyond dispute, acquired a fanciful meaning (30 C.2d 271). The Court, in holding that secondary meaning attached,

defined that expression as follows (p. 271):

“Where words have acquired \* \* \* a fanciful meaning—a meaning that has no connection with their common meaning, it may be more properly said that such meaning is their primary meaning insofar as their use in business is concerned. Their common meaning has dropped into the background.”

In *Stork Restaurant v. Sahati*, 166 F.2d 348, 352, this Court, *inter alia*, approvingly quoted this definition.

Granat, too, quotes it (Gr. Br., pp. 77-78) and elsewhere repeatedly refers to the *Eastern Columbia* case (Gr. Br., pp. 34, 46, 47, 49, 52, 68, 76), but nowhere does it attempt to bring itself within the definition or to show that secondary meaning attaches to “Wed-Lok.”

The facts here show “Wed-Lok” to be outside the definitions of the *Kellogg* and the *Eastern Columbia* cases. They show that the word “Wed-Lok” has not “acquired \* \* \* a fanciful meaning—a meaning that has no connection with [its] common meaning.” And they show the word has no meaning “in the minds of the consuming public” (ante, pp. 3-9).

A further factor militating against the application of the secondary meaning doctrine here, arises out of Granat’s on-again-off-again use of “Wed-Lok.” As has been shown, “Wed-Lok” was not used between December of 1934 and the Spring of 1936; and, if used at all during the war period, the use was so small and spasmodic as to preclude any public consciousness of it (ante, pp. 5-7). *Phillips v. The Governor & Co. Etc.* (C.C.A. 9th Cir.), 79 F.2d 971, 973; *Brooks Bros. v. Brooks Clothing of California* (D.C. S.D.Cal.C.D.), 60 F. Supp. 442, 450, 456, aff’d (C.C.A. 9th Cir.), 158 F.2d 798, c.d., 331 U. S. 824; *Standard Varnish Works v. Fisher, Thorsen & Co.* (C. C. Ore.), 153 Fed. 928, 931; *Upjohn Co. v. Wm. S. Merrell Chemical Co.*

(C.C.A. 6th Cir.), 269 Fed. 209, 213, c.d., 257 U. S. 638. And it was only ten months after the second reappearance of "Wed-Lok" that Feature entered the field.\*

But despite all this, Granat urges that the word "Wed-Lok" has come to indicate to the public the producer of the product, and points, as proof, to the testimony of a number of its retailer-customers. But these customer-witnesses do not help Granat for two reasons:

1. Retail-customers are not "the consuming public," nor are they representative of it. And the courts, recognizing their special position and that their job made knowledge of the mark inescapable, have refused to accept such testimony as establishing anything "in the minds of the consuming public."

Thus, in *Helmet Co. v. Wm. Wrigley, Jr., Co.* (C.C.A. 6th Cir.), 245 Fed. 824, the Court said (p. 830):

"It is well settled that dealers are not so much to be considered as are the ordinary users; the former will of course know the manufacturers from whom their purchases are made, but the latter are open to deception whether practiced by the manufacturer or the dealer; \* \* \*."

So also, *Augstein v. Saks* (D.C.N.D.Cal.S.D.), 69 F. Supp. 547, 549-550; *Lerner Stores Corporation v. Lerner* (C.C.A. 9th Cir.), 162 F.2d 160, 163; *Hiram Walker & Sons v. Penn-Maryland Corporation* (C.C.A. 2d Cir.), 79 F.2d 836, 839; *Steem-Electric Corp. v. Herzfeld-Phillipson Co.* (C.C.A.

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\* During the hearing Granat introduced a considerable number of advertisements relating to a period *after* Feature had come into the field. The rule, however, is plain that "The *secondary meaning must have been established when defendant entered the field*" (*Lucien Lelong, Inc. v. Lander Co. Inc.* (C. C. A. 2d Cir.), 164 F. 2d 395, 397; *Upjohn Co. v. Wm. S. Merrell Chemical Co.* (C. C. A. 6th Cir.), 269 Fed. 209, 213, c.d., 257 U. S. 638).

7th Cir.), 118 F.2d 122, 124-125; *O. & W. Thum Co. v. Dickinson* (C.C.A. 6th Cir.), 245 Fed. 609, 613, 614.

2. The testimony of Granat's customers shows the mark to be meaningless. Naturally, they testified to acquaintance with "Wed-Lok." As Jackson said, "I sell them. I guess I should" (Jackson, R., p. 473; see also, Goldblatt, R. pp. 498-499; Jacoby, R., p. 419; Kleiger, R., p. 528; Navarro, R., p. 572; Van Sipma, R., pp. 598-599; Kernis, R., p. 622; Gamler, R., pp. 650-651; Shapiro, R., p. 677).

But they did not show that "Wed-Lok" had "a fanciful meaning." Instead, their testimony showed they gave to the word "Wed-Lok" only formal lip service and that their real interest began and ended with the descriptive word "lock" (R., pp. 419-420, 473, 488-489, 499-500, 508-513, 528-529, 545-546, 561, 582, 600, 623, 639-640, 642-643, 659, 677, 694-696, 701-704, 706-710, 712-721).

Thus, their testimony ties in only with Granat's claim to the right to monopolize "lock." But even on this score they show only a descriptive use of the word.

Jacoby defined the significance of "Lok" as used in one of his advertisements as indicating "that they lock together, snap together" (R., p. 450). And to him the mark described "the mechanism; the mechanical part" (R., p. 467).

Kernis testified (R., p. 642):

"Q. You mentioned the fact that you considered the word 'Lok' an important part of the trade-mark. Will you explain why you consider it an important part of the trade-mark?

"A. *I think it is the only way, myself, that I could identify the feature of both rings locking together, and not being able to turn away from one another.*



“Q. Would you say that the trade-mark ‘Wed-Lok’ characterizes the type of ring that is sold under that mark?

“A. Characterizes the type of ring? *I think it signifies that a locking feature is involved in there.*”

And Shapiro thought that “lock” was “the most important part” of “Wed-Lok” (R., p. 706).

And the Patent Office consistently has registered marks containing “Lock” *if the other part* of the mark were sufficiently distinctive. Thirty-nine of these other marks, of which ten are in the same field as “Wed-Lok,” have been introduced here (Dfts’ Ex.37), and the book—“Trade Marks of the Jewelry and Kindred Trades”—(Dfts’ Ex.38) contains thirteen additional “lock” marks. “Lock” is purely descriptive and is a commonly used and non-distinctive minor component of many marks which take whatever trade mark virtue they possess from the *other* components.

As a mere part of a trade mark—“lock” is entirely without significance or distinction. Pertinent to this, but concerning words far more fanciful than “lock,” are two recent decisions of this Court: *John Morrell & Co. v. Hauser Packing Co.*, 20 F.2d 713; *Van Camp Sea Food Co. v. Westgate Sea Products Co.*, 28 F.2d 957.

In the *Morrell* case, plaintiff’s trade mark comprised the word “Pride” in combination with another word, such as “Morrell’s Pride.” Speaking of plaintiff’s mark this Court said (20 F.2d 714):

“In the combination as actually used, and as registered, both words are given equal prominence, and to ignore one would be quite as arbitrary as to ignore the other. Both in the Patent Office and on the market, plaintiff declared its trade-mark to be, not ‘Pride,’ but

‘Morrell’s Pride,’ or some other combination. Under such circumstances, the trade-mark must be deemed to consist of the combination.”

In the *Van Camp* case, this Court, referring to the mark “Chicken of the Sea” said (28 F.2d 958):

“Moreover, ‘chicken,’ as used by the plaintiff, is not a purely fanciful term, but is measurably descriptive. \* \* \*

“But, in view of the considerations just suggested, appellant cannot, as in effect it seeks to do, abandon all but the word ‘chicken’ and claim that as its trade-mark. \* \* \* That terms merely descriptive of quality cannot be appropriated as trade-marks is too well settled to require citation of authorities. On the point that generally a registered trade-mark is to be considered as an entirety, see *John Morrell & Co. v. Hauser Packing Co.* (C.C.A.) 20 F.(2d) 713; \* \* \*.”

So also, *Green v. Ludford Fruit Products* (D.C.S.D.Cal. C.D.), 39 F. Supp. 985, 988, appeal dismissed (C.C.A. 9th Cir.), 126 F.2d 468; *Caron Corporation v. Ollendorff* (C.C.A. 2d Cir.), 160 F.2d 444; *Rosenberg v. Shakeproof Lock Washer Co.* (D.C.Del.), 20 F. Supp. 959, aff’d (C.C.A. 3d Cir.), 100 F.2d 811, 812; *Dixi-Cola Laboratories v. Coca-Cola Co.* (C.C.A. 4th Cir.), 117 F.2d, 352, 359, c.d., 314 U. S. 629; *Steem-Electric Corp. v. Herzfeld-Phillipson Co.* (C.C.A. 7th Cir.), 118 F.2d 122, 127.

To summarize, Granat’s advertising and Granat’s customer-witnesses show that “Wed-Lok” was used descriptively. Such a use is the antithesis of the “fanciful” use essential to give basis to a secondary meaning. And “Wed-Lok” has been used so spasmodically as to negative secondary meaning even if other factors were propitious to the creation of such meaning.



“Wed-Lok” has failed to make the grade as a technical common-law trade mark. It has failed to show any of the characteristics of secondary meaning. It, therefore, is invalid.

The common word “lock” has never had other than a descriptive significance and possesses not a single attribute of secondary meaning.

### “Feature Lock” Does Not Infringe “Wed-Lok”

The “Restatement of the Law of Torts” states (Vol. III, §728):

“The ultimate test of whether or not there is a confusing similarity between a designation and a legal trade-mark or trade name which it is alleged to infringe is *the effect in the market* in which they are used. In some cases the probable effect can be determined by a mere comparison of the designation with the trade-mark or trade name. In other cases extrinsic evidence may be necessary. In any event, the issue is whether an appreciable number of prospective purchasers of the goods or services in connection with which the designation and the trade-mark or trade name are used *are likely to regard them as indicating the same source.*”

The facts here show there was no “appreciable number of prospective purchasers” of “Wed-Lok” or of “Feature Lock” who were “likely to regard them as indicating the same source.”

On this score, the District Court found (a) “That the words ‘Feature Lock’ are sufficiently distinct from ‘Wed-Lok’ *as to preclude likelihood* that the Feature Ring Co.’s product will be passed off as those of plaintiff”—and (b) that “The evidence fails to show confusion in the ultimate customers” (No. 12407, p. 40).

Despite these findings, Granat repetitiously urges the ‘doctrine of ‘confusion of source’” (Gr. Br., pp. 14-16, 26-38, 42-43, 48-49, 68) saying “that ultimate purchasers might believe that the goods trade-marked ‘FEATURE LOCK’ were in some fashion sponsored by the appellant [Granat]” (Gr. Br., p. 35).

In the development of this doctrine Granat quotes again and again from the decision of this Court in the *Stork* case, 166 F.2d 348 (Gr. Br., pp. 14-16, 29-31, 33-34, 35, 39, 42-43).\*

The doctrine of “confusion of source,” as shown by this Court’s decision in the *Stork* case (166 F.2d 356-357), is primarily applicable to those cases where the parties are *not* in competition. In essence, it forbids the imitation of a trade-mark used, not for the purpose of diverting trade from the owner to the imitator, but for the purpose of securing for the imitator the owner’s good will.

In the instant case, however, the parties are in direct competition\*\* and the usual rule in such cases prevails.

A good statement of this rule, quoted by this Court in the *Stork* case (166 F.2d 354) from *Hanover Milling Co. v. Metcalf*, 240 U. S. 403, 412-413, is as follows:

“Courts afford redress or relief upon the ground that a party has a valuable interest in the good will of his trade or business, and in the trade-marks adopted to

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\* Feature does not disagree with one word of the decision in the *Stork* case. The facts there, however, have little in common with those here, and thus in many of its facets, it is entirely irrelevant to the present controversy.

\*\* Despite the allegation in the complaint that the parties were competitive (No. 12407, p. 5, Par. XII) and Feature’s admission of this allegation (No. 12407, p. 15, Par. 12), and despite the fact the entire hearing was on the basis of competition Granat has devoted fourteen pages of its brief (pp. 56-69) to a review of the law where the parties are *not* in competition.

maintain and extend it. The essence of the wrong consists in the sale of the goods of one manufacturer or vendor for those of another.”

The “Restatement” is simply a paraphrase of this statement. And here, there has been neither sale nor the likelihood of sale of the goods of Feature for those of Granat. Nor is there anything here indicating that purchasers believed, or might have believed, “that the goods trademarked ‘FEATURE LOCK’ were in some fashion sponsored by [Granat].” To give even a semblance of a showing on this charge Granat is compelled to rely on a perversion of the District’s Court’s findings, and, once again, on the parroting of its retailers.

(a) With respect to the Court’s findings, Granat’s thesis is (Gr. Br., p. 21):

“The major premises relied upon by the District Court in refusing relief to appellant are that the appellant failed to establish that appellees had palmed off their goods as those of appellant, and that appellant failed to establish confusion in ultimate customers between the products of appellant and appellees” (see also, pp. 21-26, 56).

Granat fails entirely to acknowledge the Court’s equally important finding that “Feature Lock” was “sufficiently distinct from ‘Wed-Lok’ as to preclude *likelihood*” of passing off. Thus, going beyond Granat’s statements, the Court not only found that there was no confusion, but that there was no likelihood of confusion. Yet, on the inaccurate premise that the District Court had found *only* that there was no palming off and no confusion, Granat draws the conclusion that failure to show injury is not fatal to an action of this nature, again quoting from the *Stork* case (Gr. Br., p. 23). Feature does not contest the proposition of law, but for it to be applicable, as this

Court noted in the *Stork* case (166 F.2d 359), there must be a likelihood of deception; and here, the District Court specifically found there was no such likelihood.

(b) With respect to its retailers, Granat says (Gr. Br., pp. 26-27):

“For example, the witnesses Jacoby (R. 446-447), Jackson (R. 474), Goldblatt (R. 508-509), Navarro (R. 582-583) and Shapiro (R. 569-595) each testified that they were confused as to the source of the ‘FEATURE LOCK’ rings when said rings first came to their attention and that they thought these rings were a product of Granat Bros., the appellant herein.”

Analysis of the testimony of these witnesses makes perfectly plain that they either did not understand the word “confused” or that they volitionally misused it.

All five of them, like a parade of Charlie McCarthys, stated they thought only of Granat Bros. when they first saw or heard of “Feature Lock” (R., pp. 446-447, 474, 488, 506-507, 512-513, 544-546, 562-563, 572-573, 593, 694-695, 707-709). But they did not *confuse* “Feature Lock” with “Wed-Lok.”

Jacoby had only to “hear of the word ‘Lock’ either spelled L-o-k or L-o-c-k” to “think of Granat Bros.” (R., pp. 419-420).

And Jackson said (R., p. 488):

“Well, when I heard the word ‘Lock’ all I had ever heard of was Wed-Lok, so naturally I thought it was a Granat ring.”

But Jackson admitted that before he heard of “Feature Lock” he knew there were other locking type rings *not* made by Granat, for, he said, he had “had customers coming in and asking [him] about different lock rings,

which [he] didn't know about until this all come up here recently'' (R., p. 490).

Similarly, Shapiro ''felt that any ring that would be named 'lock' was a Granat product'' (R., p. 694). But on cross-examination (R., p. 707) he confessed that ''I, as a jeweler, as an expert, could tell [the difference between 'Feature Lock' and 'Wed-Lok'].''

Granat's other customer-witnesses are no more convincing. For instance, Goldblatt, asserting confusion, reduced it to infinity with the statement (R., p. 507):

''In fact, to the best of my recollection I asked the party who presented the rings to me if they were made by Granat Manufacturing Company *and he assured me that they were not.*''

And Navarro protested he was ''confused'' in the face of his admission (R., p. 593) that the salesman who tried to sell him ''Feature Lock''—

''told me they had something *better than Granat*, or something like that, I don't know how it was, immediately I thought that *someone* was trying to make *the same thing as Granat*. That is the impression I got.''

Another customer of Granat, Kleiger, was no more adroit, for when he first saw the advertising on this Feature Lok ring—''*I believe it was in one of the trade journals*''—he *still* thought of Granat (R., p. 545). But those advertisements prominently displayed the name ''Feature Ring Co. of New York'' (Dfts' Exs. 7, 10, 30, 34; Pl's Exs. G, I, J), and if he saw the advertisement he also saw the name of the advertiser.

''There is none so blind as they that won't see.''

The three remaining customer-witnesses of Granat were even less cooperative to the ''confusion'' pipe dream.



Gamler was asked (R., p. 667):

“When you first heard of the Feature Lok line did you believe that it was a product of Granat Brothers?”

to which he made the only spontaneous answer of any of these witnesses:

“When I saw the ring I knew it wasn’t *because it was marked Feature Lok.*”

And the testimony brought out that Kernis was a customer of Feature Ring Company and that Van Sipma handled other lock type rings (R., pp. 624-603), so Granat *never raised the issue of confusion.*

So much for plaintiff’s nine hand-picked customer-witnesses.

And Granat’s officers didn’t do any better. On deposition, Mr. Joseph Granat and Mr. Wineroth claimed knowledge of confusion (Dfts’ Ex. 40: p. 121; see also, pp. 121-128; Dfts’ Ex. 40; p. 176; see also, pp. 176-180), but neither made any effort to *prove* any of these asserted instances, and at the hearing the matter was not adverted to in any way.

On the other side of the picture there is considerable evidence that there was *no* confusion, and, in fact, that there could have been no confusion.

Mr. Lawrence McCune, who, as counsel for the Northern California Wholesale Jewelers Association (R., p. 380) was in an unequalled position to learn of confusion, if any there were, never heard of such a thing (R., pp. 381-382). On the same score, Mr. Bloch, one of the defendants and a distributor of “Feature Lock” testified (R., pp. 389-390):

“There has never been a question of confusion brought to my attention in the two names whatsoever. I have never heard of it. I have never had a customer

so inform me, nor have I seen that. \* \* \* 90 per cent of our customers are personal friends of mine, and I hear from them on a lot of things besides business, and I am sure they would write me or tell me about any confusion that might exist.”

Similarly, Mr. Magoon, a retail jeweler, had never heard of any confusion (R., p. 408). And no suggestion of confusion has come home to Feature Ring Company (R., p. 326), or to anyone else (Dfts’ Ex. 39: pp. 68, 78, 85, 91-92).

Finally on this phase of the case, Granat says (Gr. Br., pp. 28-29):

“Both Feature Ring Co., Inc. and Samuel H. Friend knew that the adoption of the trade-mark ‘FEATURE LOCK’ was the adoption of a trade-mark confusingly similar to appellant’s trade-mark ‘WED LOK’ and that there would be resultant ‘confusion of source’, trade-mark infringement and unfair competition.”

In asserted support of this charge, Granat relies on isolated statements of Mr. Bloch and of Mr. Peterson—both taken out of context.

Mr. Bloch’s statement that he anticipated litigation was made with relation to a letter he had received from a customer stating, “we are afraid to advertise it [‘Feature Lock’] because of the suit Granat instituted against you and another dealer” (R., p. 396). And more than three months earlier than that Granat had sent its first letters charging infringement (Dfts’ Exs. 18, 19; R., pp. 297-300). Thus “coming events [had already] cast their shadows before.”

And the testimony of Mr. Peterson affords even less basis for Granat’s charge. Granat’s counsel started to ask one question—i. e., “your dealer was confused as to who manufactured Dovetail Lock—” —and wound up with



an entirely different one,—i. e., “Dovetail Lock is not of your manufacture?”—and this latter question *only* the witness answered. The balance of the correspondence to which reference was being made clearly disclosed that neither Feature’s dealer nor Mr. Peterson was confused (R., pp. 339-341).

The testimony here contains no believable evidence of confusion.

An analysis of the facts in the light of the comprehensive test set up by the “Restatement” demonstrates there was not the vaguest *likelihood* of confusion.

Section 729 lists the factors which go to show infringement or noninfringement as follows:

“Factors in Confusing Similarity.

“In determining whether the actor’s designation is confusingly similar to the other’s trade-mark or trade name, the following factors are important:

“(a) the degree of similarity between the designation and the trade-mark or trade name in

“(i) appearance;

“(ii) pronunciation of the words used;

“(iii) verbal translation of the pictures or designs involved;

“(iv) suggestion;

“(b) the intent of the actor in adopting the designation;

“(c) the relation in use and manner of marketing between the goods or services marketed by the actor and those marketed by the other;

“(d) the degree of care likely to be exercised by purchaser.”

The facts, in so far as they have not already been adverted to, may be marshalled under the topic headings of the "Restatement":

(a)(i): *Dissimilarity in appearance.* "Wed-Lok" is a hyphenated word of six letters. "Feature Lock" is two separate words of eleven letters; and the shape of the letters of "Wed" is unlike the shape of the letters of "Feature." "Wed-Lok" is written in a light flowing script in a single line. "Feature Lock" is written in a much heavier script at an angle to the horizontal.

(ii) *Dissimilarity in pronunciation.* The descriptive word "lock" is pronounced, of course, like the corrupted word "Lok"; the dominant word "Feature," however, possesses no vaguest similarity of sound to the word "Wed."

(iii) (Not applicable here).

(iv) *Dissimilarity in suggestion.* "Wed-Lok" describes the product, a locking wedding and engagement ensemble. "Feature Lock" on the other hand, suggests that a lock of some sort is involved, but the only suggestion conveyed by the word "Feature" is that those familiar with Feature Ring Company might think of that company.

(b) The intent of Feature in adopting its mark. The name "Feature Lock" was adopted with full knowledge of the prior existence of "Wed-Lok" (R., pp. 261-262, 264-269). The facts are stated by Mr. Peterson (R., pp. 267-269):

"I knew that they ['Wed-Lok'] were Granat products, yes, sir, I did. And I made a point to make sure that whatever trade-mark I used for my product would in no way infringe, in any way whatsoever, or impair the product of any other manufacturer, regardless of what it was, whether it was Granat or anyone else. There is plenty of room in this country for everyone to con-

duct their business on a legitimate, legal basis, and consequently I used that word 'Lock' because I thought I had a perfect right to use it, *to describe my product*. \* \* \* We have a reputation of our own to consider, and we base it directly on our own representation and our reputation for doing business, and I think it is just as good as Granat Bros.' '' (see also, pp. 264-269, 283-284, 332, 378.)

Acting with this foreknowledge, Feature has done every single thing it could to avoid the slightest possibility of confusion (cf., R., p. 332). Every one of its trade journal advertisements—with which the jewelers generally are familiar—bore its corporate name in prominent form (Dfts' Exs. 10, 14-16; R., pp. 270-271, 285-292), and every product going to a jeweler went "In envelopes bearing 'Feature Rings' or 'Feature Ring Co.' '' and the rings themselves were stamped "F.L. Patented" (R., pp. 319-320; 324-326).

While, in accord with custom, the distributor or retailer advertising did not contain the name "Feature Ring Co." (R., pp. 294-295, 319, 392, 408), it did, in almost every instance, contain a description of the product and diagrams disclosing the method of operation—which in itself clearly distinguished "Feature Lock" from any other locking ring (R., pp. 323-325).

And even though Granat invokes the rule that the amount of advertising is an element to be taken into consideration (Gr. Br., p. 14), it is to be noted that the District Court found that Granat "from the year 1934 to the present" had spent, exclusive of dealer advertising, approximately \$153,000 (No. 12407, p. 40) or an average of less than \$10,000 per year for the sixteen year period; whereas, in contrast, Feature, in the ten *months'* period—May 1948 to March 10, 1949—spent, also exclusive of dealer advertising, about \$100,000 (R., pp. 315-316). Certainly the highly con-

centrated advertising of Feature could only have been undertaken with the intent of creating a public consciousness of "Feature Lock" rings. This is the opposite of "reaping where one has not sown" or of "riding the coat-tails of a senior appropriator" (cf., the *Stork* case, 166 F. 2d 357).

(c) The relation in use and manner of marketing of "Wed-Lok" and "Feature Lock." As indicated before, the parties here *are* in competition (ante, p. 25).

(d) The degree of care of purchasers. Purchasers here are of two classes: the middleman—i.e., the jewelry retailer, and the ultimate consumer—i.e., the man who buys the rings for his girl or the girl who wears them. There is not a suggestion in this record that any of the latter class was confused. The burden of the testimony is that this class does not give a hoot about the name (ante, pp. 7-9). And that the middleman has never been confused has been made fully apparent (ante, pp. 27-30). Beyond this, the product itself is such that both classes purchase discriminatingly and with care.

It is submitted, therefore, that not a single element requisite to a showing of infringement is here present.

### **Feature Has Not Unfairly Competed With Granat**

The facts upon which Granat bases its claim that Feature has unfairly competed are broadly coextensive with those on which it relies to show trade mark infringement, and generally it uses those terms conjunctively (Gr. Br., pp. 25, 29, 38, 56-57). One possible projection of Granat's claim is found in its assertion that Feature "encouraged its distributors to use the word 'Lock' in connection with the sale of its product by said distributors" (Gr. Br.,



p. 41) and that "The adoption of these additional names" has resulted in a 'hemming in' of appellant with confusingly similar names on identical goods"—citing in support of this thesis, *Stork Restaurant v. Marcus* (D. C. E. D. Pa.), 36 F. Supp. 90 (Gr. Br., p. 42).

It is true that Feature gave its customers the alternative of "the registered name Feature Lock or their own brand name" (Dfts' Exs. 10, 14; see also, R., pp. 301-302, 320, 350), but since they were outright purchasers they had the right, so far as Feature was concerned, to adopt any name they liked.

Of greater importance here is the fact that the only similarity of any of these marks to "Wed-Lok" is in the use of the descriptive word "lock" to describe a lock. This is not an infringement of a trade mark and it is not unfair competition. Granat is complaining at the expected result of the normal competitive process. It is being no more "hemmed in" because others use the word "lock" than Gruen is being "hemmed in" when Bulova or Longines use the word "watch."

And the Pennsylvania *Stork* case affords no basis for Granat's contentions. That case, in substance, is indistinguishable from this Court's *Stork* case. In both cases the defendant had copied plaintiff's trade name and had substantially copied its insignia. Upon the basis of this cardinal fact both Courts, *unlike the District Court here*, determined there *was* likelihood of confusion. In the Pennsylvania case the Court noted that while this confusion was likely to be local (36 F. Supp. 94) it was not insubstantial enough to warrant application of the *de minimis* rule. It is in this connection that the statement quoted by Granat (Gr. Br., p. 42) was used. Obviously, it has no application here.

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\* Cupid Lock—Rhapsody Lock—Love Lock—Treasure Lock—Life Lok—Duo-Lock—Lucky Lock—Eterna Lock—Bridalok—Heart Lock (R., pp. 140-141).



Since there is no trade mark infringement and no evidence of passing off or of the likelihood of passing off, there is nothing in this record on which a charge of unfair competition against Feature may be based.

### **Granat's Harassment of Feature's Customers is Unfair Competition.**

When Feature entered the market with its locking wedding and engagement ring sets Granat immediately undertook its campaign of threats against Feature's customers. These threats overnight became a very real coercion, leading to the refusal by the retail jewelers to place orders and to the cancellation of orders already placed. The facts with respect to this campaign are as follows:

On April 8, 1948 Granat's then-counsel wrote Kay Jewelers asserting the use of "Tru-Lock" was an infringement (R., pp. 297-300; Dfts' Ex. 18). This was followed on April 19th by a similar claim against Zale's Jewelers, based on their use of "Feature-Lok" (Dfts' Ex. 19; see also, R., p. 335). In July, Friend and Morgan & Allen were notified (Dfts' Exs. 20, 21), and then, assumedly as soon as they were heard of, notices went to a large number of jewelers all over the United States (R., pp. 138-142; Pl's Ex. P; Dfts' Exs. 18-29).

It is significant that despite Granat's knowledge of Feature's operation as early as May 1948 (cf., R., p. 142), *it chose to harass Feature's customers but has never sent any notice to Feature* (R., pp. 296-297).

Among those who have been notified—most of them customers of Feature (R., pp. 349-361), are the sponsors of "Cupid Lock"—of "Dovetail Lock"—of "Rhapsody Lock"—of "Love Lock"—of "Treasure Lock"—of "Life Lock"—of "Duo-Lock"—of "Lucky Lock"—of "Eterna Lock"—of "Bridalok"—and of "Heart Lock" (R., pp. 140-142; Pl's Ex. P; Dfts' Exs. 18-29).

And the sole determinant of whether a concern would be notified was whether it used the word "lock" to describe a locking type ring. Clearly no attempt was made to determine whether the *entire* trade mark bore any similarity to "Wed-Lok" (R., pp. 136-142; Dfts' Ex. 40: pp. 70-75).

Granat followed up its threats by instituting these and other actions. But the average retail jeweler is unable to afford the luxury of litigation, and had Feature *not* undertaken the defense of its customers (R., pp. 308-310, 342; Dfts' Ex. 30) many would have done what Kay Jewelers did do—that is, consent to the entry of a decree (R., pp. 205-207; Pl's Ex. TT). However, even after the notices and the institution of litigation, Granat was not content to stop. Instead, it circularized the industry with the following letter:

"You are undoubtedly aware that there are now being marketed several types of ring sets with names that are confusingly like Wed-Lok. Since you are a Wed-Lok dealer and one of our customers, we want you to know that where these rings are infringements on Wed-Lok rings patents and trademarks, we are taking and will continue to take the necessary legal steps which cases of this kind justify.

"You will be interested to know that suit has been brought by Granat Bros. against S. H. Friend, San Francisco wholesaler, and Herbert Brown, Salinas, California retailer, alleging that the trade name 'Feature-Lock' infringes the Granat Bros. trademark, Wed-Lok. Suit has also been brought by Granat Bros. against Kay Jewelry Co., in Los Angeles, alleging that the trade name 'Tru-Lock' infringes the Granat Bros. trademark, Wed-Lok.

"You may be sure that everything that is legally proper is being done to protect you as a Wed-Lok dealer from unfair competition" (Dfts' Ex. 40:15).

Feature immediately felt the effects of this campaign. Mr. Peterson described the situation which arose (R., p. 297):

“This plaintiff was sending letters to all my customers threatening them with suit.

“Mr. Mellin: All of them?

“The Witness: Well I say ‘all’. I don’t know how many actually, but a good many of them. To me it seemed as if it was all, because all I got was long distance call after call, letter after letter, people becoming panicky that they had better stop using the trade-mark Feature Lock, otherwise they intended to sue them.

“Q. (By Mr. Mellin): The letters said that, you mean?

“A. Words to that effect. I don’t exactly know the wording, but it was a threatening sort of letter. It led most of my customers to call me up or write me asking what to do.”

Feature was forced to offer to assume the defense of these customers and to save them harmless (Dfts’ Exs. 22-24). This, however, did not meet the situation and Feature further was compelled to advertise in substantially all of the trade journals that—

“We will defend and hold harmless any customer of FEATURE RING COMPANY, INC., who is sued, threatened or otherwise harassed for his use of our mark ‘FEATURE LOCK’ on our rings” (Dfts’ Ex. 30; R., pp. 308-309).

Even this was not enough. The customers were afraid to become in any way involved (R., pp. 341-342). Their quite natural reaction is shown in the following:

Maurice Stamper, a customer of Feature, testified (Dfts' Ex. 39: p. 74):

"I was not prepared to jeopardize my business in any way, either through bad publicity which a type of suit such as that would cause, or if your suit was successful, the liability that might result. I had no idea just to what extent I would be liable to Granat Bros. in the event that a successful suit was started by Granat Bros. As a result I called off an advertising program that I had started for continuation throughout the year and the beginning of this year of 'Eterna Lock' in all the magazines.

"As a result we lost the benefit of the publicity we could have given it and the assistance that my salesmen would have received in the selling of the product. That was my standpoint."

To the same effect, Charles Barnett said (Dfts' Ex. 39: pp. 83-84):

"\* \* \* in some instances our customers refused to buy the Feature Ring product because they heard of objections or lawsuits, or what-have-you, against Feature \* \* \*

"In one instance after the goods were sold, about \$1200 worth, he cancelled it out because he didn't want to take the chance."

Another customer, Ed. Cain & Co., on October 1, 1948, wrote to Feature (Dfts' Ex. 29):

"A number of our customers who have the other lines of lock sets in and have advertised them, have received letters from the attorneys of Granat, advising them that they are liable in a suit for infringement \* \* \*."

On October 20, 1948, the same customer wrote (Dfts' Ex. 29):

“Upon the advice of our attorneys we have returned to you on the date of October 15th the Feature Lock ring sets for credit, in view of the threatening atmosphere that seems to be developing through the Central West, regarding the rights and patents. Until the situation is clarified, we will be unable to use this merchandise at this writing.”

A credit memorandum was duly issued (Dfts' Ex. 29).

Still another customer—Kay Jewelers of Los Angeles, consented to the entry of a decree enjoining it from using the word “Tru-Lock” (R., pp. 205-206; Pl's Ex. TT).

The actuality of Feature's loss is shown. The full amount of it can be shown only by an accounting.

The courts are not in entire agreement as to the rule to be applied in matters of this sort. Certain of the cases seem to take the position that while a court will protect against the bad faith efforts of a patent or trade mark owner, the real proof of such bad faith is found primarily in that owner's failure to follow up its threats with suit. One of the most striking cases of this sort is the very recent decision (May 5, 1950) of the Court of Appeals for the Second Circuit in *Kaplan v. Helenhart Novelty Corp.*, — F.2d —, 85 U.S.P.Q. 285.

That was an action for declaratory judgment instituted by a party which had been threatened and which sought to have the patent in issue declared invalid or not infringed, to have an accounting of profits and damages due to the misuse, and to have the patent owner enjoined from further misuse. The District Court granted an injunction and the Court of Appeals reversed because of its determination that there was “no substantial evidence to show that the defendants did not and do not reasonably believe that



their patent is valid and has been infringed as they have asserted" (85 U.S.P.Q. 288). The Court went on to note that "the only evidence of bad faith is the defendants' failure to sue promptly"—but, said the Court, this in itself was vitiated because under the Declaratory Judgment Act the threatened party, as soon as threatened, "had a plain and complete remedy for any wrong done them" (85 U.S.P.Q. 288).

Even that case, however, was qualified in several particulars which are here important. There, plaintiff had notified the real defendant (85 U.S.P.Q. 286) and had not, as here, restricted its campaign to small customers of that defendant. And there, the patent in suit was "presumptively valid" (85 U.S.P.Q. 288). Here, to the contrary, Granat's predecessor and Granat had undertaken to register "Wedlock" and "Wed-Lok" under the Act of 1905, where the presumption of validity is indulged. Registration had been denied because the marks were descriptive and thus invalid. The applicants in each case had acquiesced in this decision of the Patent Office and had amended their applications to bring them under the Act of 1920. And there exists no presumption of validity of marks registered under the 1920 Act (*Armstrong Co. v. Nu-Enamel Corp.*, 305 U. S. 315, 322-324, 333).

In the *Kaplan* case the Second Circuit not only adverted to the presumptive validity of the patent but also to the fact that "the allegations of infringement do not appear to be frivolous" (85 U.S.P.Q. 288). Here, however, such allegations clearly are frivolous. For, in sending out its notices and commencing its suits it failed entirely to apply the basic rule applicable in the case of infringement of a valid trade mark; that is, that the infringement is to be judged by the over-all similarity of the mark taken as a whole (*Beckwith v. Commr. of Patents*, 252 U. S. 538, 545-546; *Van Camp Sea Food Co. v. Westgate Sea Products Co.* (C.C.A. 9th Cir.), 28 F.2d 957, 958). Instead, entirely

without regard to the striking dissimilarity of the dominant word of the marks (compare, for example, "Feature" or "Rhapsody" or "Treasure" with "Wed"), Granat undertook to monopolize to itself all uses of the word "lock" to describe a lock.

In the *Van Camp Sea Food Co. v. Cohn-Hopkins* case this Court said (56 F.2d 799):

"That descriptive names cannot be monopolized in a trade-mark is too well settled to require discussion."

Many of the courts have not, as does the Court of Appeals for the Second Circuit, emphasized so strongly the institution of action as a proof of good faith. The matter is regarded simply as one where, if bad faith is shown, relief follows. Thus, in *E. Edelmann & Co. v. Triple-A Specialty Co.* (C.C.A. 7th Cir.), 88 F.2d 852, 854, the Court affirmed the lower court in holding for plaintiff in an action for declaratory judgment and for damages for unfair competition based upon the circulation of charges of infringement.

That same court, in an earlier case—*Racine Paper Goods Co. v. Dittgen*, 171 Fed. 631, said (p. 633):

"Undoubtedly, one claiming that his patent is being infringed should take steps to advise the public of his rights as provided by statute, provided, however, that if it is made to appear that under pretense of so doing he is pursuing a course which is calculated to unnecessarily injure another's business, and with the plain intention of so doing, his conduct will be deemed malicious, and he brings himself within the rule of law obtaining in cases of unfair competition in trade, and subject to injunction \* \* \*."

"In other words, it requires no prolonged or extensive series of damaging assaults upon one's business to call into service the restraining hand of the law, provided

it satisfactorily appears that the acts are done with the purpose of injuring the business, and have injured and are calculated to injure it. When this is proven, fraud will be implied."

To the same effect, the Court of Appeals for the Third Circuit in *A. B. Farquhar Co. v. National Harrow Co.*, 102 Fed. 714, said (p. 715):

"Where notices are given or circulars distributed in good faith to warn against infringement, no wrong whatever is committed; but where, as is here averred, they are not made or issued with such intent, but in bad faith, and solely for the purpose of destroying the business of another, a very different case is presented. In such a case property rights are fraudulently assailed, and a court of chancery, whose interposition is invoked for their protection, should not refuse to accord it."

And the rule of these cases is embodied in the "Restatement of Torts," which provides (§674):

"One who initiates or procures the initiation of civil proceedings against another is liable to him for the harm done thereby, if

- (a) the proceedings are initiated
  - (i) without probable cause, and
  - (ii) primarily for a purpose other than that of securing the adjudication of the claim on which the proceedings are based, and
- (b) except where they are ex parte, the proceedings have terminated in favor of the person against whom they are brought."

Granat's action in sending notices of infringement and in initiating the actions which it did are so entirely without

legal basis as to show its entire course of action to be "without probable cause" and "primarily for a purpose other than that of securing the adjudication of the claim."

This conclusion is strengthened by the letters broadcast to the industry by Granat which could have served no informative purpose and which could only have been for the purpose of widening the scope of the intimidation.

### Conclusion

Granat's trade mark "Wed-Lok" is palpably invalid. It has no attribute of secondary meaning. And even if valid and if it had a secondary meaning, Feature has not infringed or unfairly competed.

Granat's campaign against small wholesalers and retailers, and its careful avoidance of a direct challenge to Feature Ring Company, goes beyond the limits of a good-faith assertion of a cause of action and has occasioned great damage and loss to Feature.

The District Court should be affirmed in its holding that Feature has not infringed and is not guilty of unfair competition.

The District Court should be reversed in its holding that Granat's trade mark "Wed-Lok" is a distinctive and valid trade mark and in its holding that Granat has not unfairly competed with Feature.

Respectfully submitted,

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